



DEPARTMENT OF VETERANS AFFAIRS

8320-01

38 CFR Part 9

RIN 2900-AP98

Electronic Submission of Certain Servicemembers' Group Life Insurance, Family Servicemembers' Group Life Insurance, and Veterans' Group Life Insurance Forms.

AGENCY: Department of Veterans Affairs.

ACTION: Proposed rule.

SUMMARY: The Department of Veterans Affairs (VA) proposes to add a regulation governing the Servicemembers' Group Life Insurance (SGLI) and Veterans' Group Life Insurance (VGLI) programs to provide that certain SGLI, Family SGLI (FSGLI) and VGLI applications, elections, and beneficiary designations required by statute to be "written" or "in writing" would include those submitted via an agency approved electronic means that are digitally or electronically signed.

DATES: Comments must be received on or before [Insert date 60 days after date of publication in the FEDERAL REGISTER].

ADDRESSES: Written comments may be submitted through <http://www.Regulations.gov>; by mail or hand-delivery to: Director, Regulations Management (00REG), Department of Veterans Affairs, 810 Vermont Ave., NW, Room 1068, Washington, DC 20420; or by fax to (202) 273-9026 (this is not a toll-free telephone number). Comments should indicate that they are submitted in response to

“RIN 2900-AP98— Electronic Submission of Certain Servicemembers’ Group Life Insurance, Family Servicemembers’ Group Life Insurance, and Veterans’ Group Life Insurance Forms.”

Copies of comments received will be available for public inspection in the Office of Regulation Policy and Management, Room 1068, between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday (except holidays). Please call (202) 461-4902 for an appointment (this is not a toll-free telephone number). In addition, comments may be viewed online through the Federal Docket Management System (FDMS) at <http://www.Regulations.gov>.

FOR FURTHER INFORMATION CONTACT: Ruth Berkheimer, Insurance Specialist, Department of Veterans Affairs Insurance Center (310/290B), 5000 Wissahickon Avenue, Philadelphia, PA 19144, (215) 842-2000, ext. 4275 (this is not a toll-free number).

SUPPLEMENTARY INFORMATION: Several statutes regarding entitlement to SGLI, FSGLI, and VGLI require a member or an insured to take action "in writing" or to submit a "written" application or request. *E.g.*, 38 U.S.C. 1967(c), 1970(a), and 1977(a)(3). For example, under 38 U.S.C. 1967(a)(2) and (a)(3)(B), a member of a uniformed service on active duty, active duty for training, or inactive duty training scheduled in advance by a competent authority and certain Ready Reservists may "elect in writing"

not to be insured under SGLI, to decline FSGLI coverage for a spouse, or to be insured or insure a spouse for less than the statutory maximum amounts of insurance coverage.

Until recently, members have utilized a paper version of SGLV 8286, Servicemembers' Group Life Insurance (SGLI) Election and Certificate, to make changes to their SGLI coverage amount and to designate beneficiaries to receive the insurance proceeds upon their death and a paper version of SGLV 8286A, Spouse Coverage Election and Certificate, to make changes to their spousal coverage. The VA Insurance Service, however, partnered with the Department of Defense to develop the SGLI Online Enrollment System (SOES), an electronic application system that allows members to make electronic updates and changes to their SGLI and FSGLI coverage amounts and their SGLI beneficiary designations 24 hours a day, 7 days a week. In addition, this electronic system helps to eliminate common errors made by members when completing the paper forms. While the electronic system is the primary means for insured members to manage their SGLI and FSGLI elections, a member may use the paper forms in emergent situations when the member cannot access the electronic system.

In addition to SOES, veterans are currently able to apply for VGLI, reinstate their VGLI, or increase the amount of VGLI by completing an online application through a website managed by the Office of Servicemembers' Group Life Insurance (OSGLI), <https://giosgli.prudential.com/osgli/web/OSGLIMenu.html>, as well as by mailing a paper copy of SGLV 8714, Application for Veterans' Group Life Insurance to OSGLI.

In light of this modernized processing of SGLI and VGLI, VA proposes to expressly allow for electronic submission of certain SGLI and VGLI applications, forms, and beneficiary designations by adding section 9.22 to part 9 of title 38, Code of Federal Regulations. New section 9.22(a)(1) would define the terms "in writing" and "written" for purposes of certain statutes in chapter 19, subchapter III, of title 38, United States Code, to mean an intentional recording of words in visual form and to include hard-copy documents containing a person's name or mark written or made by that person and electronic applications and forms submitted through a VA approved electronic means that include an electronic or digital signature that identifies and authenticates a particular person as the source of the electronic message and indicates such person's approval of the information contained in the electronic document.

Section 9.22(a)(2) would provide that application or election forms meeting the requirements of new paragraph (a)(1) will satisfy the statutory requirement that such forms be "written" or "in writing" for purposes of: (1) declining SGLI for the member or FSGLI for the member's insurable spouse; (2) insuring the member under SGLI or the member's spouse under FSGLI in an amount less than the maximum amount of such insurance; (3) restoring or increasing coverage under SGLI for the member or under FSGLI for the member's insurable spouse; (4) designating one or more beneficiaries for the member's SGLI or insured's VGLI; and (5) increasing the amount of coverage under VGLI. This would allow members to submit such applications or elections by mail, hand delivery, or electronic means approved by the Secretary.

Section 9.22(b) would state that applications or forms satisfying the definition in paragraph (a)(1) may be submitted for purposes of applying for VGLI and reinstating lapsed VGLI coverage.

These regulations are consistent with the Government Paperwork Elimination Act (GPEA), Public Law 105-277, tit. XVII, 112 Stat. 2681-749 (codified at 44 U.S.C. 3504 note), which requires Federal agencies to accept electronic signatures and to allow for electronic submission, maintenance, or disclosure of information as a substitute for paper, when it is practicable for agencies to do so. See also 38 U.S.C. 118 (VA must submit reports to Congress in electronic format) and 5103(a)(1) (VA may provide notice of information and evidence necessary to substantiate claim via electronic communication). GPEA also bars electronic signatures and electronic records from being denied legal effect, validity, or enforceability because they are in electronic form. Public Law 105-277, § 1707, 112 Stat. 2681-751.

### Unfunded Mandates

The Unfunded Mandates Reform Act of 1995 requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation) in any one year. This proposed rule will have no such effect on State, local, and tribal governments, or on the private sector.

## Paperwork Reduction Act

This proposed rule contains no provisions constituting a collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3521).

## Executive Orders 12866 and 13563

Executive Orders 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, and other advantages; distributive impacts; and equity). Executive Order 13563 (Improving Regulation and Regulatory Review) emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. Executive Order 12866 (Regulatory Planning and Review) defines a “significant regulatory action,” requiring review by the Office of Management and Budget (OMB), unless OMB waives such review, as “any regulatory action that is likely to result in a rule that may: (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) Raise novel legal or

policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive Order."

The economic, interagency, budgetary, legal, and policy implications of this regulatory action have been examined and it has been determined not to be a significant regulatory action under Executive Order 12866. VA's impact analysis can be found as a supporting document at <http://www.regulations.gov>, usually within 48 hours after the rulemaking document is published. Additionally, a copy of the rulemaking and its impact analysis are available on VA's website at <http://www.va.gov/orpm> by following the link for "VA Regulations Published."

#### Regulatory Flexibility Act

The Secretary hereby certifies that the adoption of this proposed rule would not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601-612. This proposed rule would directly affect only individuals and would not directly affect any small entities.

Therefore, pursuant to 5 U.S.C. 605(b), this proposed rule is exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

#### List of Subjects in Part 9

Life insurance, Military Personnel, Veterans.

### Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance number and title for the program affected by this document is 64.103, Life Insurance for Veterans.

### Signing Authority

The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Gina S. Farrisee, Deputy Chief of Staff, Department of Veterans Affairs, approved this document on July 25, 2017, for publication.

Dated: July 25, 2017

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Jeffrey Martin  
Office Program Manager  
Office of Regulation Policy & Management  
Office of the Secretary  
Department of Veterans Affairs



For the reasons stated in the preamble, VA proposes to amend 38 CFR part 9 as set forth below:

## PART 9—SERVICEMEMBERS' GROUP LIFE INSURANCE AND VETERANS' GROUP LIFE INSURANCE

1. The authority citation for part 9 continues to read as follows:

AUTHORITY: 38 U.S.C. 501, 1965-1980A, unless otherwise noted.

2. By adding the following section to read as follows:

### **§ 9.22 Submission of certain applications and forms affecting entitlement to Servicemembers' Group Life Insurance and Veterans' Group Life Insurance**

(a)(1) Definition. For purposes of this section, the terms *in writing* and *written* mean an intentional recording of words in visual form and include:

(A) hard-copy applications and forms containing a person's name or mark written or made by that person; and

(B) applications and forms submitted through a VA approved electronic means that include an electronic or digital signature that identifies and authenticates a particular person as the source of the electronic message and indicates such person's approval of the information submitted through such means.

(2) With regard to the following actions, applications or forms that satisfy the definition in paragraph (a)(1) will be deemed to satisfy the requirement in the referenced statutes that an application, election, or beneficiary designation be "in writing" or "written":

(A) Decline Servicemembers' Group Life Insurance for the member or Family Servicemembers' Group Life Insurance for the member's insurable spouse (38 U.S.C. 1967(a)(2)(A) or (B));

(B) Insure the member under Servicemembers' Group Life Insurance or the member's spouse under Family Servicemembers' Group Life Insurance in an amount less than the maximum amount of such insurance (38 U.S.C. 1967(a)(3)(B));

(C) Restore or increase coverage under Servicemembers' Group Life Insurance for the member or under Family Servicemembers' Group Life Insurance for the member's insurable spouse (38 U.S.C. 1967(c));

(D) Designate one or more beneficiaries for the member's Servicemembers' Group Life Insurance or former member's Veterans' Group Life Insurance (38 U.S.C. 1970(a)); and

(E) Increase the amount of coverage under Veterans' Group Life Insurance (38 U.S.C. 1977(a)(3)).

(b) Applications or forms that satisfy the definition in paragraph (a)(1) may be utilized to--

(1) apply for Veterans' Group Life Insurance; and

(2) reinstate Veterans' Group Life Insurance.

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